



Pennsylvania Economic Update

January 28, 2016

Summary

Nonfarm payroll employment in Pennsylvania increased by 9,800 jobs and the unemployment rate fell to 4.8 percent in December according to data released by the Bureau of Labor Statistics (BLS).

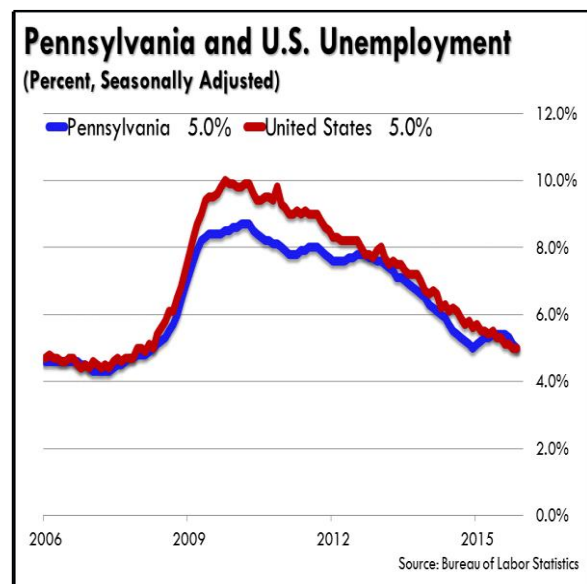
Pennsylvania Unemployment Rate

During December, the unemployment rate in Pennsylvania fell to 4.8 percent. The number of people counted as unemployed decreased by 14,500 in December to 306,500, while the labor force increased by 17,600 to 6,446,000. Pennsylvania's unemployment rate was 5.0 percent 12 months prior.

The 10-year peak for the unemployment rate in Pennsylvania was 8.7 percent in April 2010. The series high for the unemployment rate in Pennsylvania occurred in February 1983 when the unemployment rate reached 12.7 percent. The 10-year low for the unemployment rate in Pennsylvania was 4.3 percent in May 2007.

The series low for the unemployment rate in Pennsylvania occurred in December 2000 when the unemployment rate reached 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2006.



Pennsylvania Payroll Employment

Pennsylvania nonfarm payrolls increased by 9,800 jobs, or 0.2 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls decreased by 5,700. Over the past 12 months nonfarm payrolls in Pennsylvania increased by 38,000, or 0.7 percent. Pennsylvania nonfarm payroll employment has increased in 6 of the past 12 months.

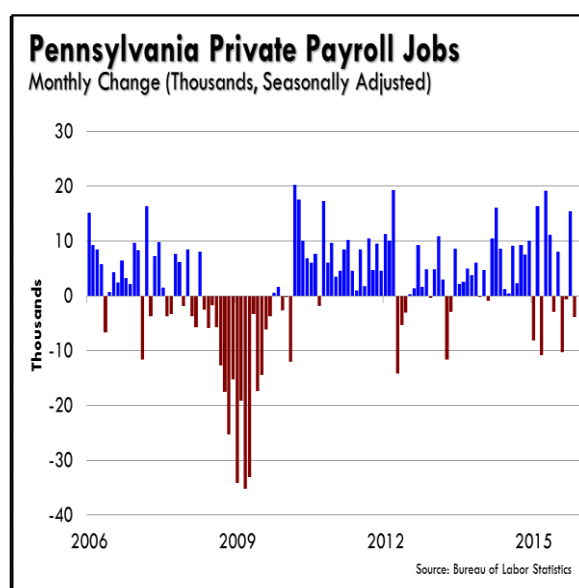
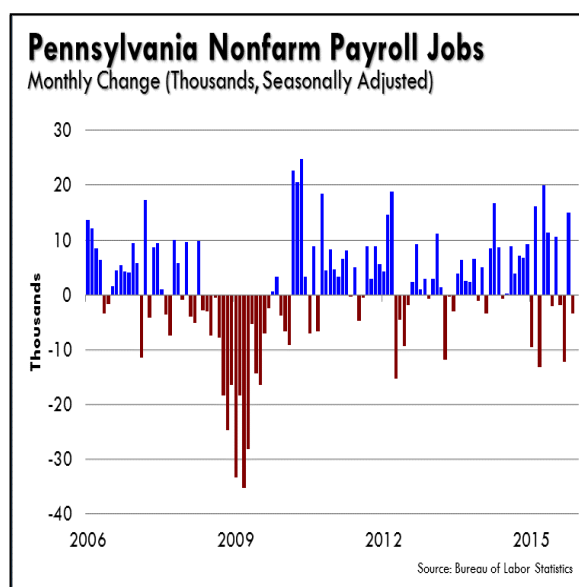
Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

During December, Pennsylvania private-sector payrolls increased by 8,600, or 0.2 percent. Private-sector payrolls decreased by 5,800 jobs in the prior month. Over the past 12 months, private-sector payrolls in Pennsylvania increased by 39,900, or 0.8 percent. Pennsylvania private-sector payroll employment has increased in 6 of the past 12 months.

Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in Pennsylvania increased by 1,200, or 0.2 percent. Federal government payroll employment increased by 200, or 0.2 percent. State government payroll employment increased by 2,200, or 1.4 percent, while local government payroll employment decreased by 1,200, or 0.3 percent.

Over the past year, total government payroll employment decreased by 1,900, or 0.3 percent. State government payroll employment increased by 5,700, or 3.6 percent. Local government payroll employment decreased by 6,900, or 1.5 percent.



The best performing sectors on a seasonally adjusted basis during December were Leisure and Hospitality (+3,700) and Professional and Business Services (+2,400). The poorest performing sectors during the month were Construction (-2,500) and Education and Health (-300).

The best performing sectors during the last twelve months were Leisure and Hospitality (+10,000) and Professional and Business Services (+9,800). The poorest performing sectors for the year were Manufacturing (-3,600) and Government (-1,900).

Other Pennsylvania Labor Force Statistics

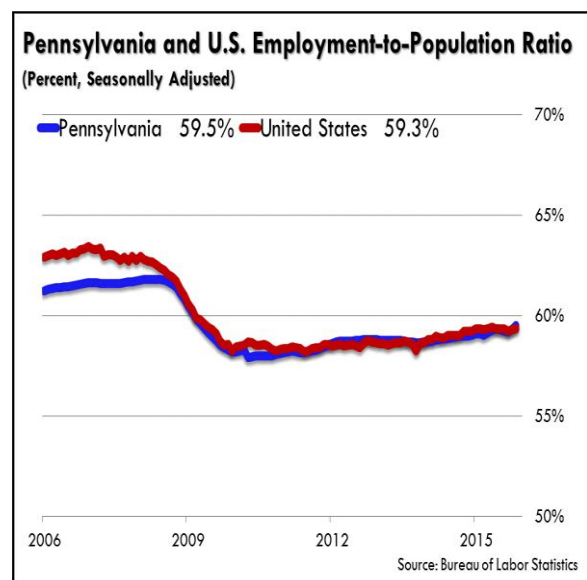
The labor force participation rate in Pennsylvania increased to 62.8 percent in December. The labor force participation rate in Pennsylvania is up from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Pennsylvania was 65.3 percent in December 2008, which is also the series high. The 10-year low for the labor force participation rate was 62.1 percent in December 2014. The series low was reached in February 1976 at 58.1 percent.

The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

The employment-to-population ratio, or the percentage of the Pennsylvania civilian noninstitutionalized population 16 years and older counted as employed, increased to 59.8 percent in December.

The 10-year high for the employment-to-population ratio in Pennsylvania was 61.8 percent in April 2008. The series high for the employment-to-population ratio in Pennsylvania occurred in February 2001 when the employment-to-population ratio hit 62.1 percent. The 10-year low for the employment-to-population ratio was 57.9 percent in April



2010. The series low for the employment-to-population ratio occurred in February 1983 when the employment-to-population ratio hit 52.2 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for January is scheduled for release on March 14th. The national employment situation report for January will be released on Friday, February 5th.